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Federal Communications Commission
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Washington, D. C. 20554

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

FOR IMMEDIATE RELEASE:
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COMMISSION AUTHORIZES LOCKHEED MARTIN TO TAKE CONTROL OF COMSAT

The Commission has authorized Comsat Corporation (Comsat) to assign its FCC licenses and authorizations to Comsat Government Systems, LLC (CGS-LLC), a wholly owned subsidiary of Lockheed Martin Corporation (Lockheed Martin). This authorization will permit the completion of the planned merger of Lockheed Martin and Comsat.

Lockheed Martin is a diversified enterprise principally engaged in the research, design, development, manufacture and integration of advanced-technology systems, products and services. Comsat was authorized by the Communications Satellite Act of 1962 (Satellite Act), which called for the formation of a private, for-profit U.S. communications satellite corporation (Comsat) that would participate in the planning, construction, ownership, management and operation of an international telecommunications system that later became known as INTELSAT. Comsat serves as the U.S. Signatory to INTELSAT, and will continue in that capacity until INTELSAT's expected privatization in 2001 at which point it will become a shareholder.

Last September, the Commission authorized Lockheed Martin, through its wholly owned subsidiary, Regulus, to acquire Comsat Government Services, Inc., a wholly owned subsidiary of Comsat, and to purchase up to 49 percent of Comsat stock. At that time, Lockheed could not purchase more than 49 percent as the Satellite Act prohibited greater than 50 percent aggregate common carrier ownership in Comsat.

On March 17, 2000, Congress enacted the "Open-Market Reorganization for the Betterment of International Telecommunications Act" (the ORBIT Act). The ORBIT Act eliminated the ownership restrictions in the Satellite Act that prevented Lockheed Martin from acquiring control of Comsat.

The Commission found that Lockheed Martin's purchase of Comsat is in the public interest. In making this finding, the Commission determined that the merger would not have any adverse impact on the current level of competition in any relevant market relating to the provision of satellite services. The Commission also found that the acquisition of Comsat may have potential efficiencies that will allow the merged company to compete more effectively in the global telecommunications marketplace.

Based on the lack of potential competitive harm and beneficial efficiencies resulting from the transfer, the Commission granted the request to allow Lockheed Martin to acquire Comsat.

Action by the Commission July 27, 2000, by Order and Authorization (FCC 00-277). Chairman Kennard, Commissioners Ness, Powell and Tristani with Commissioner Furchtgott-Roth concurring and issuing a statement.

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